



## ***The National Flood Insurance Program***

### **Floodplain Management**

<http://www.fema.gov/fima/floodplain.shtm>

*The National Flood Insurance Program (NFIP) was established with the passage of the National Flood Insurance Act of 1968. The NFIP is a Federal program enabling property owners in participating communities to purchase flood insurance as a protection against flood losses in exchange for State and community floodplain management regulations that reduce future flood damages. Over 20,000 communities participate in the NFIP.*

### **The NFIP plays a critical role in floodplain management**

Floodplain management is fundamental to reducing flood losses. It is broadly defined to include all actions that states and communities can take to reduce flood damage to both new and existing buildings and infrastructure. The NFIP has played a critical role in encouraging communities to adopt and enforce floodplain management regulations and implement broader floodplain management programs. By law, FEMA can only provide flood insurance if a State or community adopts and enforces floodplain management regulations that meet or exceed minimum NFIP requirements.

### **Managing flood risk through the NFIP**

Communities incorporate NFIP requirements into their zoning and subdivision ordinances and building codes or adopt special purpose floodplain management ordinances. The NFIP requirements apply to areas mapped as Special Flood Hazard Areas (SFHA) on Flood Insurance Rate Maps issued by FEMA. This is the area that would be flooded by the “base flood” (defined as the flood that has a 1 percent change of occurring in any given year, also known as the “100-year flood”).

The NFIP requirements include:

- Elevation of new and substantially improved residential structures.
- Elevation or dry floodproofing (made watertight) of new or substantially improved non-residential structures.
- Requirements to protect floodways along rivers and stream which is the central portion of a riverine floodplain needed to carry the deeper, faster moving water.
- Additional requirements to protect buildings in coastal areas from the impacts of waves, high velocity, and storm surge.

#### **Floodplain Management and Hurricanes Katrina and Rita**

FEMA is working closely with the communities impacted by the disasters by providing technical assistance and resources to communities on mitigation measures to protect property from future flood losses. In particular, FEMA is providing assistance on NFIP floodplain management requirements, including the substantial damage requirement so that buildings are constructed stronger and safer. FEMA is also working closely with communities on reconstruction strategies to determine the most appropriate mitigation measures to reduce future flood damages including elevation, acquisition, or relocation of flood damaged properties. The ultimate goal will be to achieve a less vulnerable Gulf Coast.

These requirements are the most cost effective way to reduce the flood risk to new buildings and infrastructure. Structures built to NFIP requirements experience 80 percent less damage than structures not built to these standards and have resulted in \$1.2 billion per year in reduced flood losses.

In addition to protecting new buildings, the NFIP substantial improvement and substantial damage requirement provides a mechanism to ensure that a significant increase in investment in existing structures built before the flood hazard was known will receive needed protection from the flood risk. A building is considered substantially improved or substantially damaged when the cost of improving or repairing the building equals or exceeds 50 percent of the market value of the building. When this occurs, the community, which makes the determination, must ensure that the NFIP requirements are applied to these building so that they are protected from future flood damages.

## **Financial help is available to mitigate future flood damages**

Financial help to mitigate damages to existing buildings is provided under the NFIP Increased Cost of Compliance (ICC) Coverage. When a community declares a building substantially damaged or repetitively damaged, insured property owners can receive a claim up to \$30,000 to protect the building. To help reduce flood damages to existing buildings, FEMA also provides grants and technical assistance to states and communities to conduct mitigation planning and implement mitigation projects.

## **The Community Rating System rewards proactive floodplain management**

The NFIP's Community Rating System (CRS) provides discounts on flood insurance premiums in those communities that establish floodplain management programs that go beyond NFIP minimum requirements. Communities can receive credit for more restrictive regulations, acquiring flood-prone property, and other measures that reduce flood damages and protect floodplains. Over 1,000 communities now participate in the CRS and are taking action to reduce their vulnerability to flooding.

## **Intergovernmental collaboration**

All levels of government have a responsibility to protect citizens and property from flooding. Under the NFIP, the State and FEMA's role include:

**The State Role:** Each State has designated an NFIP State Coordinating Agency as a point of contact for the NFIP. Many States have adopted floodplain management statutes and regulations and have established and funded their own floodplain management programs. In addition, FEMA provides funding to States to provide technical assistance to communities on the NFIP requirements.

**FEMA's Role:** FEMA administers the NFIP through its 10 Regional Offices and its Mitigation Division at FEMA Headquarters in Washington, DC. FEMA staff provides extensive technical assistance and training through workshops, visits, and other contacts with community officials. In addition, FEMA staff provides technical assistance to property owners, builders and contractors, architects and engineers, surveyors, and other NFIP constituents on NFIP requirements and mitigation measures. FEMA also has extensive publications on the NFIP, including detailed guidance on mitigation measures that can be undertaken to minimize or eliminate future flood damages. These publications can be found on FEMA's Web site at [www.FEMA.gov](http://www.FEMA.gov).